



Thinking About Working After Retirement?

This publication describes the possible impacts on your Public Safety Employees' Retirement System (PSERS) retirement benefit if you return to work for an employer covered by one of the Washington state retirement systems. You can return to work for an employer not covered by a Washington state retirement system without impacting your retirement benefit, unless you are a disability retiree.

When do I become a retiree?

You must first retire before you can be covered under the return to work laws. You become a retiree when you do all of the following:

- Meet the age and service requirements for retirement;
- File an application for retirement with the Department of Retirement Systems (DRS);
- Terminate all employment with DRS-covered employer(s); and
- Sever all contractual agreements (written or verbal) for future employment with DRS-covered employer(s) for a minimum of 30 days.

Taking these actions will establish your effective retirement date as the first day of the month following the month in which you left employment.

EXAMPLES

- Sally applies for retirement and terminates employment on July 15, 2009. She meets the age and service requirements. Her effective retirement date will be August 1, 2009.
- Jackson applies for retirement and terminates employment on July 15, 2009, with enough service to meet the requirements for retirement. He does not meet the age requirement until July 15, 2011. His effective retirement date will be August 1, 2011.

When is the earliest I can return to work?

You must wait at least 30 calendar days after your effective retirement date before returning to work. If you return to work for a DRS-covered employer less than 30 days after your effective retirement date, your benefit will be reduced by 5.5 percent for every eight hours worked in a month up to a maximum of 160 hours. If the reduction is more than your benefit, the excess is taken from the next month's benefit payment. The reduction continues until you stop working for a full 30 days.

What happens if I return to work before my effective retirement date?

If you terminate employment and file a retirement application but return to work before your effective retirement date, your application for retirement will be canceled. Because you are not considered retired, you will return to active membership and be required to pay member contributions.





What should I do when I return to work?

When you return to work for a DRS-covered employer, it is important to let your employer know you are a retiree. If your employer does not know you are retired, you may be reported as an active member – which may stop your benefit. Contact your employer to determine the eligibility of your position.

How many hours can I work each year and still receive a benefit?

If you wait at least 30 calendar days after your effective retirement date and return to work in a PSERS-eligible position your benefit will be suspended beginning the day you return to work.

If you wait at least 30 calendar days after your effective retirement date and return to work in a Public Employees' Retirement System (PERS)-, School Employees' Retirement System (SERS)-, or Teachers' Retirement System (TRS)-eligible position, you can work up to the annual limit of 867 hours in a calendar year before your benefit will be suspended.

If you return to work in a Law Enforcement Officers' and Fire Fighters' or Washington State Patrol Retirement System-eligible position, please contact DRS.

If you return to work in a position that is ineligible for DRS membership, there is no limit placed on your employment. You can work in this position as long as it is classified as ineligible and still receive your full retirement benefit. However, disability retirement benefits may be affected by employment in a position that is ineligible for DRS membership.

What happens if I work over the annual limit?

You can work as many hours as you wish in a calendar year. However, if you are employed in a PERS/SERS/TRS-eligible position and work over the allowed 867 hours, your retirement benefit will be suspended for the remainder of the calendar year or until you terminate employment. In the month you exceed the limit, your benefit will be prorated. See example below.

Example:

Ellen retires effective January 1, 2007, and returns to work in a PERS-eligible position on February 1, 2007. She works for the remainder of the year. On July 11, 2007, she exceeds 867 hours of employment for the year. Her benefit will be suspended beginning July 12. She will receive a partial month's benefit for July 1 through July 11. Ellen's benefit will be restarted on January 1, 2008.

Which hours count toward the annual limit?

All hours for which you receive compensation count toward the annual limit. This includes paid holidays or compensatory time, sick leave or annual leave taken in lieu of normal work hours. Sick leave or annual leave that is cashed out at the end of an employment period does not count toward the limit. Cashed out compensatory time does count toward the limit.



Can I return to active membership?

If you are hired into a PSERS-eligible position, you can return to active membership. However, when you do so your benefit will stop. When you again retire, a new benefit will be calculated to reflect the additional service credit earned. If you have completed two or more years of uninterrupted service after going back to work, you may select a new benefit option.

If you are hired into a position that is eligible for other DRS membership, your retirement allowance may be impacted depending on the system and plan covered by the new position.

What if I am receiving a disability retirement?

If you are a disability retiree, your benefit could be affected by returning to any kind of employment. Your return to work could mean that you are no longer disabled and therefore no longer eligible to receive a disability retirement. If you retired for disability and are considering returning to work, please contact DRS.

What if I retired as a dual member?

A dual member retiree is someone who has combined service credit earned in more than one retirement system to qualify for retirement. If you retired as a dual member and are considering returning to work, please contact DRS to determine the possible impacts on your benefit.

Is there a limit on the amount of income I can earn?

Under Washington state law, there are no limits on the amount of income you can earn. However, if you are receiving a Social Security benefit, returning to work may impact your Social Security income. To check income limitations under Social Security law, refer to the publication *What You Need to Know When You Get Retirement or Survivors Benefits*, or visit the Social Security Web site at: www.ssa.gov.

General information

Overpayments and Underpayments: If you receive an overpayment of your retirement benefit, you will be required to repay the amount of the overpayment to DRS. If you receive an underpayment, DRS will correct the error and pay you the amount owed.

Deferred Compensation: If you are receiving payment from the Deferred Compensation Program (DCP), your payments will not be affected by your return to work. If you are not yet receiving payment and return to work, you can continue making contributions to the plan up to an annual maximum contribution amount, depending on your income. If you have questions, please contact DCP at 1-888-327-5596 or by e-mail at dcpinfo@drs.wa.gov.

Health Care: If you retired from state government, a public education institution or a local government employer participating in the Public Employees Benefits Board (PEBB), you have the option to return to PEBB-sponsored coverage when you return to full retirement status. If you have questions about your health care coverage, please contact the Health Care Authority at 1-800-200-1004 or visit their Web site at: www.hca.wa.gov. If you retired from a local government employer, you will have to coordinate with your employer and health care provider to determine what your options may be.

Contacting DRS

For more information, refer to the *PSERS Plan 2 Member Handbook*. Member handbooks and other publications are available on the DRS Web site. Print copies may be obtained from your employer's personnel office or DRS.

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July 2006

Summary Description

The actual rules governing working after retirement are contained in state retirement law. This publication is a summary, written in non-legal terms. It is not a complete description of the law. If there are conflicts between what is written in this publication, and what is contained in the law, the applicable law will govern.